



Michigan Alliance
of Latinos Moving
toward Advancement

Latino and Immigrant Businesses in Michigan

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Latino and immigrant businesses and entrepreneurs play a critical role in Michigan's economy. Furthermore, Latino and immigrant labor are critical components of Michigan's agricultural, manufacturing and service economy sectors.

Productivity

- From 2006 to 2010, more than 30 thousand businesses were founded in Michigan by immigrants, with 10.4% of all business owners in Michigan in 2010 being foreign-born.
- Michigan's foreign-born residents are three times more likely than native-born residents to start a new business and six times more likely to start a high-tech firm.
- The top 15 Latino businesses in Michigan generate \$1.5 billion in annual revenues.
- The Latino workforce in Michigan contributes more than \$50 billion to the state's economic output.

Demographic Trends

- Michigan's White population is aging, with over 41% of the state's working age White Americans between the ages of 40 and 69.
- By comparison, the Latino population, which is growing in Michigan, is relatively young, with 42% of the state's working age Latinos between the ages of 20 and 49.
- Michigan has a large elderly population and a relatively small population of children, and the elderly population is expected to triple in the coming decades.
- Michigan's dependency ratio of seniors to working age population (21.3) will more than double in the coming years, and already is higher than the national average (20.5), especially in the rural areas.
- These trends make immigrant critically important to the future of Michigan's economy.

Challenges

- Latino business growth from 2002 to 2007 in Michigan (9.4%) was much lower than their rate at the national level (44%) and was the lowest in the region despite Michigan having the second largest Latino population in the Midwest.
- Education of business owners and entrepreneurs is an important factor in the success of Latino business start-ups and needs to be addressed.

Critical Next Steps

- Closing the education achievement gap and addressing the education needs of Latinos and other population groups.
- Increasing access to financial capital is critical for increasing the number of Latino business start-ups.
- Providing a transparent process and streamlined documentation requirements to participate in purchasing/bid opportunities with the State.
- Improving outreach and service delivery to Latinos businesses by state, university and local economic development agencies.
- Moving Latino entrepreneurs from labor-intensive to capital-intensive businesses.